

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2567 - HB 2828

February 24, 2020

SUMMARY OF BILL: Removes the allocation of sales and use tax revenue to the General Fund that resulted from increasing the tax rate from 6.0 to 7.0 percent. Removes the 0.5 percent allocation of sales and use tax earmarked for Education in the General Fund.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$85,751,000/FY20-21 and Subsequent Years

Increase Local Revenue - \$85,751,000/FY20-21 and Subsequent Years

Assumptions:

- Collections from the state sales tax generated by the 1.5 percent portion of the tax are currently earmarked for the General Fund and Education and are not subject to local apportionments. Pursuant to this legislation, local apportionment rates will apply to such collections.
- Based on information from the DOR, after accounting for all special allocations and apportionments, it is estimated that \$85,751,049 that is currently deposited in the General Fund will be allocated to local government pursuant to this legislation.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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